THE NEED FOR MONITORING AND FEEDBACK PROVISIONS IN WELFARE PROGRAMMES

Suggestions for the 13th Finance Commission

Rajiv Gandhi once said that only about 15% of any money slated for a social welfare project actually got spent on it; the rest got siphoned off in various directions. The figure of 15% was later revised downwards by commentators to 5%. This very low estimate of percentage utilization leads to prescriptions for a monitoring and feedback mechanism to check the progress of our welfare programmes (such as the poverty alleviation and employment generation programmes as well as those of urban and rural infrastructure):

(a) A portion of the amount budgeted for a welfare programme should be spent on monitoring and feedback activities. These activities have to be conducted by an organization which is independent of the agencies defraying the expenses or executing the social welfare project i.e. a reputed NGO or a private firm. This organization would administer surveys to record the feedback of the intended beneficiaries. This is called the "report card approach" developed by the Public Affairs Centre, Bangalore. Such report cards are necessary to obtain information on the perceived quality and coverage of the project as well as the general level of satisfaction with its outcomes. "Yes/No" answers (converted into a binomial variable) can be used to form an idea about whether intended beneficiaries have actually received project benefits; feedback on the quality of the service can be recorded on a 0-7 scale with a higher number indicating better quality. The average over the "targeted population" for these scores would give us an idea about the percentage of population actually being covered by the project and the average level of perceived quality.

The report card system was implemented in India[1] for the first time in Bangalore. The exercise was carried out for eight public agencies (Electricity Board, Regional Transport Office, Water and Sewerage Board, Bangalore City Corporation, Public Sector banks and hospitals, Telecom and Bangalore Development Authority) to evaluate service delivery, dimensions of corruption, staff behaviour etc. In 1999 the

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[1] Account based on a case study performed by Prof. Deepti Bhatnagar and Ankita Dewan at the Indian Institute of Management and Magui Moreno Torres and Parameeta Kanungo at the World Bank.

report card exercise was repeated to note the change in levels of performance of these eight public agencies. Partial improvements were noted with four of the eight agencies initiating steps to resolve customer dissatisfaction. The introduction of the report card system also attracted media attention, made existing groups more active and vigilant and led to the formation of new ones. Thus, the civil society was strengthened immensely by this measure, a phenomenon which was necessary to improve the quality of public utilities in the long run.

It is to be noted that the report card system is consistent with the "public action" school of thought advocated by Amartya Sen[2] and Jean Dreze which emphasizes the role of the general public itself in instituting measures that lead to economic and human development.

(b) If the picture emerging from the "report card" survey about the implementation and reach of the welfare programme is not a satisfactory one, then certain changes are called for: (a) changing the project design or (b) overhauling the bureaucratic machinery associated with the project or in the case of the project being administered through a public-private partnership changing the private partner through a process of re-bidding. If the implementation of the welfare programme meets the minimum standards then the private partner's contract would be renewed. Thus, a system of reward and punishment would be used to ensure implementation of the programme.

(c) Even if such programmes are run by the government the involved government officials should be hired on a contractual basis with the renewal of their contracts determined by the rating of the programme as captured by the "report card survey." A development programme where contractual appointment of government officials has yielded great success is that of Singapore.

Even if as much as 20% of the project budget is spent on "feedback and monitoring" the targeted population will most probably be better off as compared to the "no feedback" or "poor feedback" case as a maximum of 80% of funds could still be utilized for the direct

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[2] Tanco Memorial Lecture by Sen, August 1990, London

benefit of the targeted population – a figure which is much higher than the 15% mentioned by Rajiv Gandhi.

It is to be noted that 20% of the outlay on some of our poverty alleviation programmes constitutes a large sum which should be enough to meet the human and physical capital needs of the agency appointed for "feed back and monitoring" and provide them with a healthy return over and above their costs. The appointment of this agency should be done through a procedure which is transparent for all parties concerned – the bidders for the monitoring contract and the general public affected by the welfare programme.

As we have seen, report card surveys are held only on a periodic basis. These, therefore, need to be supplemented by an ongoing evaluative process. One such system for ongoing evaluation is the Monitoring, Evaluation and Learning System (MEAL). A variant of this system is participatory MEAL where the participants (administrators) in the process note the results of their action (in terms of the outcome variables of interest) and report these back to the group so that changes in planning can be made either in terms of the actions of the participants or the governing institutions.

The report card system can be combined with MEAL so that feedback on the functioning of a welfare programme can be received from the principal actors continuously during the implementation of the programme and periodically from the recipients of benefits.